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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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1. General.

- a. The Hungarian motor industry manufactures trucks, tractors, and buses. No passenger cars are being produced, but the Hungarians have recently begun, or are about to begin, the manufacture of military command cars.
- b. The industry is directed by the Automobile Industries Trust (Autoipari Tró"st) of the Ministry of Metallurgy and Machine Industries (MMI), which has offices on the third floor of 4 Tukor utca, Budapest V.
- c. The trust is headed by Mrs. Ferenc Biró.

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- d. Six factories are directed by the trust. In addition the trust maintains the Vehicle Development Institute (Járműfejlesztési Intézet), the National Experimental Station for Automobiles (Országos Automobilkísérleti Állomás) and the State Automobile Technical Institute (Állami Autóműszaki Intézet).

2. Factories controlled by the Trust

- a. The Csepel Motor Works (Csepel Autógyár).

This plant is situated at Szigetszentmiklós Gyártelep on Csepel Island, on the site of the Messerschmitt Aircraft Works which were destroyed by fire

25 YEAR RE-REVIEW

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in World War II. Hungary's motor industry depends entirely on Csepel for its supply of engines, and the works are being expanded by the addition of a foundry-shop, which will start operating in 1954.

The works produce per month:

- 1.) 800-1000 gasoline and diesel engines of various types. About 300-350 of these engines are used by the Csepel Works for trucks and command cars, and the rest are delivered to other factories.
- 2.) 300-350 x $3\frac{1}{2}$ -ton trucks complete with body work. 80-100 are supplied to the Army, about 100 retained for civilian use in Hungary and the balance exported to other Satellites.
- 3.) 40-50 command cars seating four passengers with 4-cylinder Csepel gasoline engine, rear-wheel drive (acting on two wheels), high chassis frame and open body. The car was designed by the Vehicle Development Institute (Járműfejlesztési Intézet) and is similar to the "Wanderer" used by the Germans in the desert during World War II. All components are produced in Hungary with the exception of ball-bearings.
- 4.) An unspecified quantity of differentials and gearboxes for the Csepel and other Hungarian motor works; and
- 5.) Engines for other firms producing compressors and sundry machinery.

The Csepel factory employs about 6000 workers, who work 24 hours per day in three shifts. Many of the employees are of Greek nationality. When Mrs. Biró was director of the concern, some years ago, she readily engaged many skilled workers who had been dismissed by other factories for political unreliability and the work of both the technical and factory staff is now at a relatively high level of skill and efficiency.

b. The Ikaruss Body and Vehicle Works (Ikaruss Karoszeria-és Járműgyár)

It is located at 2 Margit utca, Budapest-Mátyásföld, Budapest XVI, and produces automobile chassis and car bodies with engines, differentials and gearboxes supplied by the Csepel Works, it completes two types of passenger vehicles:

- 1.) "Ikaruss" 33 bus for urban service
- 2.) "Ikaruss" 66 which is a long-distance bus

Monthly production is about 100 complete vehicles, of which 40 are for use in Hungary and 60 for export to Egypt and to Satellites in Europe. In recent months, China has been interested in these vehicles and, as a result of prolonged negotiations now taking place, exports may be switched exclusively to China. The factory employs about 2500 workers, but the general level of skill is low.

c. The Red Star Tractor Works (Vörös Csillag Traktorgyár)

This factory, formerly known as the Hofherr, Schrantz, Clayton & Shuttleworth Works is situated at 3/15 Hofherr Albert utca Kispest, Budapest. It produces about 300 tractors per month, of two types:

- 1.) "K.44" single-cylinder tractor with 2-stroke glow-head engine, which is widely used in Hungary and in many other countries, although exports have dropped recently.

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- 2.) "SL 50/55" caterpillar-track tractor with Csepel diesel engine. This tractor is produced mainly for the Chinese market.

The factory employs about 3,200 workers.

d. Budapest Automobile Electrical Engineering Works (Budapesti Autó Villamosági Gyár, formerly Robert Bosch).

The factory is located at 22/26 Váci ut, Budapest XIII, and supplies Csepel, Ikarusz and Red Star with spark plugs, starter motors, dynamos, lamps, car horns, windscreen wipers, direction indicators and other accessories. The distributive trade is also supplied but the parts are not exported. The number of employees is about 800.

e. Győr Forging and Foundry Works (Győri Kovácsoltás-ésöntőgyár).

This plant formerly belonged to the Győr Railroad Car Works. The factory makes differential casings and forged parts for steering gear on behalf of the Csepel and Ikarusz Works, and production is in line with their requirements. There are about 300 workers.

f. Piston Ring Factory (Dugattyúgyűrű Gyár).

The factory is located at Milleneumi Telep, between Soroksár and Dunaharaszti. This factory produces only piston rings of all sizes and types required by the Hungarian motor industry and the distributive trade. It does not produce for export. Some 450 hands are employed.

3. Other Organizations Controlled by the Trust.

a. The Vehicle Development Institute (Járműfejlesztési Intézet).

It has offices at 104 Bartók Béla utca, and experimental premises at 7 Csóka utca, both in Budapest II. The staff of about 150 Hungarian experts and technicians (there are no Soviet employees) prepare designs and drawings for both military and civilian motor traffic. The institute builds prototypes of new models and controls experimental running tests.

b. The National Experimental Station for Automobiles (Országos Autóbilkísérleti Állomás).

This station is at 6 József körút, Budapest which is under the jurisdiction of the Ministry of Mail and Communications, conducts tests and experiments for the improvement of all types of motor transport.

c. The State Automobile Technical Institute (Állami Autóműszaki Intézet).

The factory is situated at 76 Baross-utca, Budapest VIII. The institute trains professional drivers and assists the police in testing vehicles for roadworthiness.

4. Imports.

a. From the USSR:

- 1.) Zis trucks of various types, including 3-ton trucks for the Hungarian Army.
- 2.) Gaz open passenger vehicles (jeep type), also for the Army.

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- 3.) Zim and Zis passenger vehicles, including large models for the use of leading officials.
- 4.) Pobeda passenger cars in large quantities for minor officials, but not for private ownership. Only motorcycles are privately owned in Hungary.

b. From Czechoslovakia:

- 1.) 1½ ton Praga trucks in small quantities.
- 2.) Tatradyamik cars.
- 3.) Tatraplan cars.
- 4.) Skoda jeep-type open vehicles for the Hungarian Army.

c. From the Soviet Zone of Germany:

BMW passenger vehicles.

d. Other Cars For Civilian Use:

Imported cars (many of which are pre-war) include Austin, Humber, and Renault makes, but most of these are in need of repair and it is difficult to secure spare parts. New cars from the West are imported only in rare cases, and seldom more than one at a time.

e. Spare Parts.

- 1.) The following components are imported:

Cylinder blocks	} for Humber, Austin Hudson, Renault Skoda, Tatradyamik Tatraplan, Pobeda Zis.
Pistons	
Piston rods	
Crank shafts	
Rear axles	
Valves and springs	

- 2.) they are in very poor condition and spare parts are unobtainable at present. Cannibalization is much practised.
- 3.) Imported spark plugs are urgently needed. The majority in use are made by the Budapest Motor Electrical Engineering Works (Budapesti Autovillamosagi Gyar). Their quality is inferior and the porcelain frequently breaks. plugs are supplied from Western countries through the Hungarian black market, but in insufficient quantities and at irregular intervals.

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